

QUARTERS RELOCATION

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Cushman & Wakefield, Inc.
by
Louis Harris and Associates, Inc.

**CUSHMAN &
WAKEFIELD**

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HEADQUARTERS RELOCATION

A Study Conducted For
Cushman & Wakefield, Inc.

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ABOUT THIS STUDY

In recent months, the media have focused considerable attention on the subject of corporate relocation. The business and real estate pages have increasingly carried reports of headquarters moves from the urban centers to the suburbs and beyond; to different cities; to locations clear across country. All of the coverage notwithstanding, up to now there has been no reliable measurement of just where organizations are relocating and why.

As a special feature of the Cushman & Wakefield Business America Real Estate Monitor, Louis Harris and Associates conducted a study on headquarters relocation that, for the first time, approaches the subject on a nationwide and comprehensive basis.

From October 26 through November 25, 1987, the Harris firm interviewed top executives at 400 organizations nationwide that relocated their headquarters in the past five years. These organizations were screened from a sample representative of the full spectrum of publicly- and privately-held corporations, partnerships, nonprofits, and governmental entities nationwide with 50 or more employees at their headquarters location. The findings from the screening process show that 4% of organizations nationwide as just described relocated their headquarters in the past five years -- relocation being defined as "a move from one part of town to another, or a move from one town to another," but not "moves within an office building or moves within an office park or campus."

An interview was conducted with the chief executive officer (or other senior executive, by referral) at each of the 400 organizations. Seven in ten of these top executives report they themselves participated in the decision to relocate.

Interviews were conducted by telephone and lasted approximately 20 minutes each.

HIGHLIGHTS FROM THE FINDINGS

- o Organizations tend to relocate their headquarters in the same type of place and even the same community they were in before.
 - A large 85% majority of organizations that relocated their headquarters in the past five years moved to the same type of place (big city, suburb of big city, smaller city, small town or rural area);
 - 62% relocated in the very same community as before. There are signs of an increasing tendency to relocate within the same community.
- o There are indications that the nation's largest cities are preferred increasingly as headquarters locations.
 - The evidence suggests that organizations that moved their headquarters a year ago or less are more likely than those that moved two to five years ago to have relocated in one of the big cities, and are less likely to have moved to a small town or rural area;
 - Although the suburbs of the largest cities rank first as a preferred type of location irrespective of when the organization moved, top executives of organizations that relocated a year ago or less seem more likely than those in organizations that moved two to five years ago to prefer one of the nation's largest cities;
 - Those who relocated a year ago or less are significantly more likely than those who moved their headquarters more than a year ago to rate the largest cities best on five criteria, including two which rank among the most important: providing ample and functional space and room to expand.
- o Ample space and room to expand are key.
 - "Ample and functional space" heads the list, with 95% deeming it "absolutely essential" or "very important," when top executives of organizations that have relocated in the past five years are asked about the importance of thirteen criteria for a headquarters location. Holding a distant second place, at 74%, is "a good quality of life for employees";
 - The quest for more space is far and away what actually motivates organizations to make the headquarters move, according to their top executives. The need for "larger or more functional space" is considered a factor by 90%, the desire for "more room to expand" by 85%. No other factor on a list of twenty-one is cited as an actual factor in their decision to move by as many as half of the executives.

o Strategic planning, restructuring, and "culture" are less important in decisions to relocate.

- 31% cite "a major change in the strategic direction of the organization" as a factor in their decision to relocate, 21% say "an organizational restructuring," and 16% say "an interest in changing the culture of the organization" was a factor.
- The desire for "a more favorable image," cited as a factor in the decision to relocate by 46%, heads the list of factors other than the all-important need for more space and room to expand.
- o Top executives are satisfied with their new headquarters location.
- A nearly unanimous 93% say they would still have relocated if their organization had known when the relocation decision was made what it knows today;
- An 83% majority say they would pick the same site again today if they had it to do over;
- An 80% majority assert that their organization's performance is better today than at the time they decided to relocate;
- 69% expect that their organization will be "not very" or "not at all likely" to relocate again in the next five years;
- Majorities are "very satisfied" with their new headquarters locations on the four specific criteria they consider most important: 79% on having ample and functional space; 62% on having a good quality of life for employees; 71% on providing room to expand; 70% on offering good access to markets, customers, and clients;
- Huge majorities, ranging from 73% to 94%, are at least "somewhat satisfied" with their new location on each of thirteen evaluation criteria.

1. WHERE ORGANIZATIONS RELOCATE THEIR HEADQUARTERS

Relocating Close to Home

Organizations that have relocated their headquarters in the past five years have not ventured very far: most have stayed right in the same community, according to the reports of their top executives. Of those who have moved to a different community, most report that they have relocated to the same type of place (large city, suburb, smaller city, small town/rural) they were in before the move.

A 62% majority have stayed in the same community, while a smaller 38% have changed communities -- most of them (31%) remaining within the same state (Table 1-1). The evidence suggests that organizations that relocated a year ago or less are more likely to have stayed in the same community than those who moved their headquarters two to five years ago. Service organizations and governmental entities are markedly more likely than manufacturing, construction, utilities, transportation, wholesale, and retail companies to report they have stayed in the same community; the latter group are much more likely than others to have changed states (Table 1-2).

Moving to the Same Kind of Place

When top executives are asked about the types of places in which their headquarters were formerly -- and are currently -- located, the proportions saying they have "moved from" and "moved to" each location are virtually identical. While 29% report having moved from one of the nation's nineteen largest cities, 27% say they have moved their headquarters to such a place. The comparable figures for suburbs of the largest cities are 25% "moved from" and an identical 25% "moved to"; for "in or near a smaller city of at least 100,000

people," 27% "moved from" and 27% "moved to"; for "in or near a small town or rural area," 19% "moved from" and 21% "moved to." (Table 1-3). These findings strongly suggest that switching the type of place is rare when organizations relocate their headquarters.

Moreover, the results in Table 1-4, which shows where the organizations in each of the "moved from" location types have "moved to," demonstrate this conclusively: huge majorities of those formerly located in each type of place -- ranging from 83% to 90% -- have relocated to the same type of place. Recalculated as percentages of all those who have relocated in the past five years, 85% have moved to the same type of place and only 14% to a different type of place. Specifically, only a minuscule 3% moved from one of the largest cities to a suburb of one of the largest cities; only 2% from one of the largest cities to either a smaller city or a small town or rural area; and only 3% from a suburb, a smaller city, or a small town or rural area to one of the largest cities.

If 85% moved to the same type of place and 62% remained in the same community, 23% -- or over 60% of those who moved to a new community -- moved to a new community but to the same type of place.

Back to the Cities?

Although overall about the same percentages of those who moved a year ago or less and those who moved two to five years ago have moved to the same type of place (85% and 84%, respectively), the findings suggest a trend toward the largest cities and away from small towns and rural areas (Table 1-5).

Compared to those who relocated longer ago, organizations that have moved their headquarters most recently seem more likely either to have stayed in a large city or to have moved to one from a large city's suburb or from a smaller city.

This theme is echoed in other findings from the study: while suburbs of the largest cities rank first, irrespective of time of relocation, as a preferred type of location, those who moved a year ago or less seem more likely than those who moved two to five years ago to prefer one of the nation's largest cities (Table 1-6).

As a final note, it may not be surprising that relocation within the same community is more common among those who moved to the largest cities or to smaller cities than among those who moved to suburbs of the largest cities or to rural areas (Table 1-7). Both larger and smaller cities would be more likely than either suburbs or rural areas to afford a selection of headquarters facilities to move to -- or appropriate land to build them on -- within the same community; a close-by neighboring suburb or small town would be more likely seen as a different community.

Observation:

Notwithstanding anecdotal reports to the contrary, headquarters relocators -- objectively observed -- tend overall to stay in the same community they were in before, or at least to seek new facilities in the same type of location. Any notion of a mass exodus from the big cities to the suburbs or to smaller cities, small towns, or rural areas is simply not supported by the evidence.

Increasingly, those in the largest cities choose places of that size when they relocate, and those in other kinds of areas also show some signs of gravitation toward the largest cities. It may be too early to report conclusively that the cities are staging a comeback, but the results suggest that the prospects are good for America's largest urban areas.

Q.2a, 2b

Table 1-1

DISTANCE OF MOVE: BY TIME OF RELOCATION

Q.: When your organization moved, did you change states, or not?

Q.: Did you change communities, or not?

	<u>Total</u>	<u>Relocated</u>	
		<u>1 Year</u>	<u>2-5</u>
Base	400	<u>Ago or Less</u>	<u>Years</u>
	%	179	221
		%	%
Changed state	7	5	8
Changed community but not state	31	29	32
Stayed in same community	62	65	60

Q.2a, 2b

Table 1-2

DISTANCE OF MOVE: BY INDUSTRY GROUP

Q.: When your organization moved, did you change states, or not?

Q.: Did you change communities, or not?

	<u>Total</u>	<u>Industry Group</u>	
		<u>Manufacturing/ Transportation/ Utilities/ Wholesale/Retail</u>	<u>Services/ Public Administration</u>
Base	400	201	198
	%	%	%
Changed state	7	12	1
Changed community but not state	31	33	29
Stayed in same community	62	54	70

Q.3a, 3b

Table 1-3

TYPE OF PLACE MOVED FROM AND TO

Q.: How would you characterize your old headquarters location -- at the time you were there, would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

Q.: And how would you characterize your new headquarters location -- would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

Base: 400	Moved	Moved
	From	To
	%	%
One of nation's largest cities	29	27
Suburbs of one of largest cities	25	25
In or near smaller city	27	26
In or near small town/rural area	19	21

Q.3a, 3b

Table 1-4

NEW HEADQUARTERS LOCATION: BY OLD HEADQUARTERS LOCATION

Q.: How would you characterize your old headquarters location -- at the time you were there, would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

Q.: And how would you characterize your new headquarters location -- would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

		Moved from:			
			Suburbs of Largest Cities	In or Near Smaller Cities	Small Towns/ Rural Areas
Base	<u>Total</u> 400 %	<u>Cities</u> 116 %	<u>Cities</u> 104 %	<u>Cities</u> 107 %	<u>Areas</u> 73 %
<u>Moved to:</u>					
One of nation's largest cities	27	84	8	2	1
Suburbs of one of largest cities	25	9	83	4	4
In or near smaller city	26	3	4	85	5
In or near small town/rural area	21	4	4	9	90

	<u>Total</u>
Base	400 %
Moved to same type of place	85
Moved to different type of place	14

Q.3a, 3b

Table 1-5

TYPE OF PLACE MOVED FROM AND TO:
BY TIME OF RELOCATION

Q.: How would you characterize your old headquarters location -- at the time you were there, would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

Q.: And how would you characterize your new headquarters location -- would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area?

	<u>Total</u>	<u>Relocated</u>	
		<u>1 Year</u>	<u>2-5</u>
Base	400	<u>Ago or Less</u>	<u>Years</u>
	%	%	%
<u>From:</u>			
One of nation's largest cities	29	29	29
Suburb of one of largest cities	25	28	24
In or near smaller city	27	26	27
In or near small town, rural area	19	18	19
<u>To:</u>			
One of nation's largest cities	27	31	26
Suburb of one of nation's largest cities	25	27	25
In or near smaller city	26	25	26
In or near small town, rural area	21	17	23

Q.6

Table 1-6

BEST KIND OF LOCATION OVERALL: BY TIME OF RELOCATION

Q.: All things considered, which of these types of areas do you think is best for the headquarters of your organization -- would it be one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

	<u>Total</u>	<u>Relocated</u>	
		<u>1 Year Ago or Less</u>	<u>2-5 Years Ago</u>
Base	400	179	221
	%	%	%
Suburbs of largest cities	36	36	37
One of nation's largest cities	28	33	25
Smaller cities or their suburbs	22	19	24
Small towns or rural areas	12	11	13

Q.2a, 2b

Table 1-7

DISTANCE OF MOVE: BY NEW TYPE OF LOCATION

Q.: When your organization moved, did you change states, or not?

Q.: Did you change communities, or not?

		Moved to:			
		Suburbs of Largest Cities	In or Near Smaller Cities	Small Towns/ Rural Areas	
Base	Total 400 %	112 %	105 %	101 %	81 %
Changed state	7	5	5	5	12
Changed community but not state	31	12	47	28	39
Stayed in same community	62	82	46	67	49

2. WHAT'S IMPORTANT IN A HEADQUARTERS LOCATION AND WHY ORGANIZATIONS RELOCATE

Among the criteria that executives consider important in a headquarters location and that are factors in their decision to move, space is key. But they're also looking for other benefits such as image, access to markets, and quality of life.

The Importance of Thirteen Criteria

"Ample and functional space" heads the list when top executives of organizations that have relocated in the past five years are asked about the importance of thirteen criteria for a headquarters location. Nearly all -- 95% -- say this is at least "very important" (Table 2-1). Following in distant second place is "a good quality of life for employees," considered by 74% to be at least "very important"; this is followed by "room to expand" (72%), "easy access to markets, customers, or clients" (65%), "low occupancy cost" (53%), "good business climate in terms of state and local taxes and regulation" (50%), and "locating in a community that projects a favorable image on your organization" (50%). Fewer than half of the executives deem each of the six remaining factors "absolutely essential" or "very important": "proximity to a well-trained force of pink and blue collar workers" (40%), "a good social climate for people like yourself" (38%), "proximity to the best and brightest professional people in your industry" (37%), "proximity to colleges or universities for services such as business support, consulting, and continuing education" (15%), "a prestigious address" (14%), and "proximity to the homes of senior executives" (14%).

To look at the list in terms of what's considered "absolutely essential," "ample and functional space" is again the clear leader (36%),

followed distantly by "easy access to markets, customers, or clients" (24%) and "room to expand" (19%).

Executives in organizations now headquartered in each of the four types of locations all see ample and functional space as the single most important criterion, with upwards of nine in ten in each group deeming it "absolutely essential" or "very important." Those in the largest cities are more likely than others to see prestige and proximity to professionals as important but are less likely to stress room to expand; those in the suburbs of the largest cities place a greater emphasis than others on proximity to senior executives' homes but less on access to markets; those in or near smaller cities (along with those in rural areas) are big on a favorable image but are relatively unconcerned about occupancy cost; and those in small towns and rural areas (along with those in smaller cities) are more concerned than others about occupancy cost, a good business climate in terms of state and local taxes and regulation, a good social climate, proximity to pink or blue collar workers, and a favorable image (Table 2-2).

Top executives were asked specifically about the importance of five criteria related to quality of life for employees. Although nearly three-quarters consider quality of life for employees at least "very important," no more than three in five attribute the same level of importance to any specific quality-of-life factor tested. Uppermost on the list is having "enough streets and highways to handle the traffic," considered at least "very important" by 60% (Table 2-3). But not even half deem any other quality-of-life attribute "absolutely essential" or "very important": "good public schools" are seen as at least "very important" by 49%, "affordably-priced housing" by 42%, "low cost of living overall" by 40%, and "adequate public transportation" by 33%. Executives of organizations now headquartered in small towns and rural areas

emphasize good public schools, affordable housing, and a low cost of living overall to a greater extent than others do, while those in the largest cities stress adequate public transportation (Table 2-4).

Factors in the Relocation Decision

Why do organizations actually relocate their headquarters? Again, the quest for more space -- pure and simple -- is far and away what motivates organizations to make the move. The need for "larger or more functional space" is the number-one reason for moving on a list of twenty-one possible factors; 90% say this "was a factor," with 84% deeming it a "crucial factor" (Table 2-5). The second-most-important reason is a variation on the same theme: the desire for "more room to expand," cited as a factor in the decision to move by 85% and as a crucial factor by 72%. No other factor out of the twenty-one is cited by as many as half of the executives.

What is decidedly a second tier of reasons for moving is led by the desire for "a more favorable image," considered a factor by 46%, followed by "lower occupancy costs" at 40%, "a better quality of life for employees" at 36%, "better access to markets, customers, or clients" at 35%, and "a major change in the strategic direction of the organization" at 31%. A third tier of reasons includes: "a more prestigious address," cited by 25%, "economic incentives provided by a development organization," by 22%, "an organizational restructuring," by 21%, "proximity to the homes of senior executives," by 19%, "an interest in changing the culture of the organization," by 16%, "better proximity to a well-trained force of pink or blue collar workers," by 12%, "a merger or acquisition," by 11%, and "a better social climate for people like yourself," by 11%. No other item is considered a factor by more than 10% of the executives overall: "a better business climate in terms of state and local

taxes and regulation," by 10%, "promotion and communication by a business development organization," by 10%, "better proximity to the best and brightest professionals in your industry," 9%, "the appointment of a new chief executive," 9%, "proximity to colleges or universities for services such as business support, consulting, and continuing education," by 6%, and "a preference expressed by a top executive of another company," by 5%.

Executives of organizations now headquartered in the largest cities are more likely than others to cite lower occupancy cost as a factor in their decision to relocate; those in the suburbs are more likely than others to cite a change in strategic direction, an interest in changing the organization's culture, and proximity to executives' homes; those in or near smaller cities cite better access to markets and a more favorable image to a greater extent than others as a reason for their move. Both those in the largest cities and in the suburbs are more likely than those in either smaller cities or small towns or rural areas to say organizational restructuring was a factor, but are less likely to say economic incentives provided by a development agency was a factor (Table 2-6).

Executives of organizations that moved within the same community are more likely than those in organizations that changed communities to cite the desire for more space, more room to expand, and a more favorable image as factors in their decisionmaking (Table 2-7). Those who changed communities are more likely than those who didn't to cite as reasons access to markets, economic incentives by a development agency, proximity to their senior executives' homes, proximity to pink and blue collar workers, a merger or acquisition, a better social climate, a better business climate, promotions and communications by a business development organization, and better proximity to professionals.

Table 2-8 compares the percentage of executives who consider each of the thirteen criteria for a headquarters location "absolutely essential" or

"very important" with the percentage who report each was actually a factor in their organization's decision to relocate. To summarize what has just been discussed, "ample and functional space" heads both lists at 95% and 90%, respectively. However, while 74% consider quality of life for employees at least "very important" for a headquarters location, a markedly lower 36% say it was actually a factor in their decision to relocate. Similarly, 65% deem access to markets important in a headquarters location but a lower 35% say it was a factor in their decision to move; 53% say low occupancy cost is at least "very important": but a lower 40% say this was a factor in their decision to relocate; 50% say a good business climate is important but only 10% say it was a factor in their move; 38% say a good social climate is important but again only 11% say this figured in their decision to relocate; 37% say access to the best and brightest professionals is important but only 9% say this was a factor in their decision to move; and 40% say a pink or blue collar labor supply is important while only 12% say this was a factor in their decision to move. On the other side of the coin, by 85% to 72% more executives cite room to expand as a factor in their move decision than say it is at least "very important," and by 25% to 14% more say a prestigious address was a factor in their decision to relocate than deem it important in a headquarters location.

Efforts to Attract or Retain Organizations

Of those who say either promotions or incentives by development organizations or agencies were a factor in their decision to relocate (27% on a netted basis), 35% report the agency offered subsidized financing, 29% tax abatements or inducements, 22% assistance in cutting through state and local government red tape, 17% low-cost land leasing, 12% utilities incentives, 10% training programs, and 7% enterprise zones.

What about efforts on the part of their old community to induce them to stay? Of the 38% who changed states or changed communities within a state, only 10% report their old community made even some effort to keep them. As many as 67% say the old community made no effort at all, with another 13% saying "not very much."

Observation:

Although the bare essentials of what top executives would like to see in a headquarters location are taken into consideration when they consider a move, many other important criteria apparently are not part of the equation when it comes to decisionmaking for relocation. Nonetheless, as will be seen, satisfaction with the new location on these criteria is generally quite high.

When all is said and done, space is the chief reason why organizations move their headquarters. It's unlikely that many organizations would consider relocating without a perceived need for more space or room to expand. But substantial numbers of relocators also cite the desire for a better image, lower occupancy costs, a better quality of life for employees, better access to markets, and a major change in their organization's strategic direction as reasons for their move. Leading the second tier of reasons for relocating, the desire to improve the image of the organization should be considered an important factor.

Q.1a

Table 2-1

IMPORTANCE OF THIRTEEN CRITERIA IN A HEADQUARTERS LOCATION

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Base: 400	"Absolutely Essential" or "Very Important"	"Absolutely Essential"
	%	%
Ample and functional space	95	36
A good quality of life for employees	74	14
Room to expand	72	19
Easy access to markets, customers, or clients	65	24
Low occupancy cost	53	9
A good business climate in terms of state and local taxes and regulation	50	12
Locating in a community that projects a favorable image on your organization	50	11
Proximity to a well-trained force of pink and blue collar workers	40	7
A good social climate for people like yourself	38	6
Proximity to the best and brightest professional people in your industry	37	5
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	2
A prestigious address	14	3
Proximity to the homes of senior executives	14	1

Q.1a

Table 2-2

IMPORTANCE OF THIRTEEN CRITERIA: BY NEW TYPE OF LOCATION

("Absolutely Essential" or "Very Important")

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

		Moved to:			
		Suburbs of Largest Cities	In or Near Largest Cities	Small or Near Smaller Cities	Towns/ Rural Areas
Base	Total 400 %	112 %	105 %	101 %	81 %
Ample and functional space	95	91	97	90	99
A good quality of life for employees	74	71	74	74	77
Room to expand	72	64	71	75	78
Easy access to markets, customers, or clients	65	75	47	71	65
Low occupancy cost	53	50	55	45	62
A good business climate in terms of state and local taxes and regulation	50	42	40	48	76
Locating in a community that projects a favorable image on your organization	50	48	40	54	56
Proximity to a well-trained force of pink or blue collar workers	40	40	38	33	53
A good social climate for people like yourself	38	36	35	37	46
Proximity to the best and brightest professional people in your industry	37	43	38	34	34
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	12	10	19	21
A prestigious address	14	23	12	14	5
Proximity to the homes of senior executives	14	9	26	10	12

Q.1b

Table 2-3

IMPORTANCE OF FIVE SPECIFIC QUALITY-OF-LIFE CRITERIA

Q.: I'd like to ask you about quality of life for employees in a little more detail. Thinking about a headquarters location, would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Base: 400	"Absolutely Essential" or "Very Important"	"Absolutely Essential"
	%	%
Enough streets and highways to handle the traffic	60	9
Good public schools	49	9
Affordably-priced housing	42	6
A low cost of living overall, including state and local taxes	40	5
Adequate public transportation	33	7

Q.1b

Table 2-4

IMPORTANCE OF FIVE SPECIFIC QUALITY-OF-LIFE CRITERIA:
BY NEW TYPE OF LOCATION

("Absolutely Essential" or "Very Important")

Q.: I'd like to ask you about quality of life for employees in a little more detail. Thinking about a headquarters location, would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

		Moved to:			
		Suburbs of Largest Cities	In or Near Largest Cities	Small or Near Smaller Cities	Towns/ Rural Areas
Base	Total 400 %	112 %	105 %	101 %	81 %
Enough streets and highways to handle the traffic	60	61	60	62	55
Good public schools	49	41	34	56	70
Affordably-priced housing	42	32	34	43	65
A low cost of living overall, including state and local taxes	40	27	34	45	57
Adequate public transportation	33	53	27	25	22

Q.7a, 7b

Table 2-5

FACTORS IN DECISION TO RELOCATE

Q.: In your organization's decision to relocate, was (READ EACH ITEM) a factor, or wasn't it?

Q.: Would you say it was a crucial factor, or not?

Base: 400	Was a Factor %	Was a Crucial Factor %
Larger or more functional space	90	84
More room to expand	85	72
A more favorable image	46	22
Lower occupancy costs	40	24
A better quality of life for employees	36	16
Better access to markets, customers, or clients	35	20
A major change in the strategic direction of the organization	31	22
A more prestigious address	25	7
Economic incentives provided by a development agency	22	11
An organizational restructuring	21	14
Proximity to the homes of your organization's senior executives	19	9
An interest in changing the culture of the organization	16	6
Better proximity to a well-trained force of pink or blue collar workers	12	4
A merger or acquisition	11	8
A better social climate for people like yourself	11	3

(Continued)

Q.7a, 7b

Table 2-5 (Continued)

FACTORS IN DECISION TO RELOCATE

Base: 400

	<u>Was a</u> <u>Factor</u> %	<u>Was a</u> <u>Crucial</u> <u>Factor</u> %
A better business climate in terms of state and local taxes and regulation	10	5
Promotion and communications by a business development organization	10	2
A better proximity to the best and brightest professionals in your industry	9	2
The appointment of a new chief executive	7	3
Proximity to college or universities for services such as business support, consulting, and continuing education	6	1
A preference expressed by a top executive of another company	5	3

Q.7a

Table 2-6

FACTORS IN DECISION TO RELOCATE:
BY NEW TYPE OF LOCATION

Q.: In your organization's decision to relocate, was (READ EACH ITEM) a factor, or wasn't it?

	Was a Factor	Moved to:			
		Largest Cities	Suburbs of Largest Cities	In or Near Smaller Cities	Small Towns/ Rural Areas
Base	400 %	112 %	105 %	101 %	81 %
Larger or more functional space	90	88	91	92	88
More room to expand	85	81	89	88	83
A more favorable image	46	41	46	58	38
Lower occupancy costs	40	47	36	36	40
A better quality of life for employees	36	34	32	40	37
Better access to markets, customers, or clients	35	35	23	46	34
A major change in the strategic direction of the organization	31	30	37	29	31
A more prestigious address	25	27	31	27	14
Economic incentives provided by a development agency	22	18	17	28	24
An organizational restructuring	21	28	24	16	15
Proximity to the homes of your organization's senior executives	19	12	37	14	15
An interest in changing the culture of the organization	16	16	20	16	13
Better proximity to a well-trained force of pink or blue collar workers	12	9	14	12	12

(Continued)

Q.7a

Table 2-6 (Continued)
FACTORS IN DECISION TO RELOCATE:
BY NEW TYPE OF LOCATION

Base	Was a Factor	Moved to:			
		Largest Cities	Largest Cities	Suburbs of In or Near Smaller Cities	Small Rural Towns/ Areas
	400	112	105	101	81
	%	%	%	%	%
A merger or acquisition	11	14	11	7	13
A better social climate for people like yourself	11	8	15	12	8
A better business climate in terms of state and local taxes and regulation	10	4	5	14	19
Promotion and communications by a business development organization	10	6	8	11	16
A better proximity to the best and brightest professionals in your industry	9	7	11	10	9
The appointment of a new chief executive	7	9	6	4	8
Proximity to college or universities for services such as business support, consulting, and continuing education	6	5	6	5	9
A preference expressed by a top executive of another company	5	6	4	9	2

Q.7a

Table 2-7

FACTORS IN DECISION TO RELOCATE:
BY DISTANCE OF MOVE

Q.: In your organization's decision to relocate, was (READ EACH ITEM) a factor, or wasn't it?

	<u>Distance of Move</u>		
	<u>Was a Factor</u>	<u>Changed Community</u>	<u>Stayed in Same Community</u>
Base	400 %	150 %	248 %
Larger or more functional space	90	86	92
More room to expand	85	80	88
A more favorable image	46	41	49
Lower occupancy costs	40	41	39
A better quality of life for employees	36	37	34
Better access to markets, customers, or clients	35	40	31
A major change in the strategic direction of the organization	31	31	31
A more prestigious address	25	24	25
Economic incentives provided by a development agency	22	25	20
An organizational restructuring	21	21	20
Proximity to the homes of your organization's senior executives	19	28	14
An interest in changing the culture of the organization	16	18	15
Better proximity to a well-trained force of pink or blue collar workers	12	17	9

(Continued)

Q.7a

Table 2-7 (Continued)

FACTORS IN DECISION TO RELOCATE:
BY DISTANCE OF MOVE

Base	Was a Factor	Distance of Move	
		Changed Community	Stayed in Same Community
	400 %	150 %	248 %
A merger or acquisition	11	14	9
A better social climate for people like yourself	11	13	9
A better business climate in terms of state and local taxes and regulation	10	17	5
Promotion and communications by a business development organization	10	14	7
A better proximity to the best and brightest professionals in your industry	9	13	7
The appointment of a new chief executive	7	9	5
Proximity to college or universities for services such as business support, consulting, and continuing education	6	7	5
A preference expressed by a top executive of another company	5	6	5

Q.1a, 7a

Table 2-8

IMPORTANCE OF THIRTEEN CRITERIA AND ACTUAL
ROLE IN DECISION TO RELOCATE

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: In your organization's decision to relocate, (READ EACH ITEM) a factor, or wasn't it?

Base: 400	"Absolutely Essential" or "Very Important" in a <u>Headquarters Location</u>	"Was a Factor" in Decision <u>to Relocate</u>
	%	%
Ample and functional space	95	90
A good quality of life for employees	74	36
Room to expand	72	85
Easy access to markets, customers, or clients	65	35
Low occupancy cost	53	40
A good business climate in terms of state and local taxes and regulation	50	10
Locating in a community that projects a favorable image on your organization	50	46
Proximity to a well-trained force of pink or blue collar workers	40	12
A good social climate for people like yourself	38	11
Proximity to the best and brightest professional people in your industry	37	9
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	6
A prestigious address	14	25
Proximity to the homes of senior executives	14	19

3. SATISFACTION WITH THE NEW HEADQUARTERS LOCATION

General Measures of Satisfaction

Top executives of organizations that have relocated in the past five years report high levels of general satisfaction with their decision to move and with their new headquarters location (Table 3-1).

A nearly unanimous 93% say they would still have relocated "if [their] organization had known when the relocation decision was made what it knows today."

An 83% majority say they would pick the same site again today if they had it to do over.

An 80% majority assert that their organization's performance is better today than at the time they decided to relocate, when they were still in their old headquarters location.

Another general vote of confidence in the new location is seen in the 69% of all executives who expect their organization will be "not very" or "not at all likely" to relocate their headquarters location again in the next five years. It is interesting, however, that as many as 30% of executives think it "very" or "somewhat likely" that their headquarters will move again in such a short time. Not surprisingly, those who relocated a year ago or less are slightly less likely than those who relocated two to five years ago to say they might move again in the next five years. Service-oriented organizations and government entities express a higher likelihood of moving again than do manufacturing, construction, transportation, utility, wholesale, and retail companies.

Satisfaction on Specific Location Criteria

Top executives of organizations that have moved in the past five years are for the most part satisfied with their new headquarters location on the specific criteria which they consider most important (Table 3-2):

- 79% are "very satisfied" with their new location on having ample and functional space, with 94% at least "somewhat satisfied."
- 62% are "very satisfied" on having a good quality of life for employees, with 91% at least "somewhat satisfied."
- 71% are "very satisfied" on having room to expand, with 91% at least "somewhat satisfied."
- 70% are "very satisfied" on having access to markets, with 93% at least "somewhat satisfied."

Lower levels of satisfaction are reported for criteria of lesser importance. More than half of the executives are "very satisfied" with their new location on the attributes that rank seventh and ninth in importance -- favorable image (58%) and good social climate (51%). But on no other criterion are as many as half of the executives "very satisfied." The lowest satisfaction rating is given on a good business climate -- a criterion judged of middling importance -- with 35% saying they are "very satisfied."

It should be noted that huge majorities, ranging from 73% to 94%, are at least "somewhat satisfied" with their new location on each of the thirteen criteria.

Those now headquartered in the largest cities are markedly more satisfied than those in other types of locations on proximity to the best and brightest professionals and to well-trained pink and blue collar workers (Table 3-3). Those in the suburbs of the largest cities are more satisfied than others on having a good social climate for people like themselves, and those in or near smaller cities on having ample space and room to expand.

Observation:

Top executives are happy with the new headquarters their organizations have moved to in the past five years; they are satisfied with their locations on the criteria they deem crucial, particularly the all-important dimension of providing them with ample and functional space.

Moreover, with strong majorities at least "somewhat satisfied" with their current location on all thirteen criteria, it cannot be said that these executives are unhappy with their new headquarters on any dimension.

Q.10, 11, 12, 13

Table 3-1

GENERAL MEASURES OF SATISFACTION WITH NEW LOCATION

Q.: All things considered, if your organization had known when the relocation decision was made what it knows today, would you have relocated, or not?

Q.: If you were doing it over, would you pick the same site again today, or not?

Q.: Generally, how would you say your organization's performance today compares with its performance at the time of the relocation decision -- are you performing better today, worse, or about the same?

Q.: How likely do you think your organization is to relocate its headquarters again in the next five years -- would you consider that very likely, somewhat likely, not very likely, or not likely at all?

Base	Total
	400 %
Would have still relocated if knew what know today	93
Would pick same site if had it to do over	83
Organization's performance better today than before relocation	80
Worse	3
Same	16
Very likely to relocate again in five years	16
Somewhat likely	14
Not very likely	18
Not likely at all	51

Q.1a, 9

Table 3-2

SATISFACTION WITH NEW LOCATION ON THIRTEEN SPECIFIC CRITERIA

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

Base: 400	<u>"Very Satisfied"</u> %	<u>"Very" or "Somewhat Satisfied"</u> %	<u>"Absolutely Essential" or "Very Important"</u> %
Ample and functional space	79	94	95
Room to expand	71	91	72
Easy access to markets, customers, or clients	70	93	65
A good quality of life for employees	62	91	74
Locating in a community that projects a favorable image on your organization	58	90	50
A good social climate for people like yourself	51	87	38
Low occupancy cost	46	85	53
Proximity to colleges or universities for services such as business support, consulting, and continuing education	46	81	15
Proximity to the best and brightest professional people in your industry	45	84	37
Proximity to the homes of senior executives	43	78	14
A prestigious address	43	77	14
Proximity to a well-trained force of pink and blue collar workers	43	77	40
A good business climate in terms of state and local taxes and regulation	35	73	50

Q.9

Table 3-3

"VERY SATISFIED" WITH NEW LOCATION ON THIRTEEN SPECIFIC CRITERIA:
BY NEW TYPE OF LOCATION

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

	<u>Total</u>	<u>Moved to:</u>			
		<u>Largest Cities</u>	<u>Suburbs of Largest Cities</u>	<u>In or Near Smaller Cities</u>	<u>Small Rural Areas</u>
Base	400	112	105	101	81
	%	%	%	%	%
Ample and functional space	79	79	70	86	79
Room to expand	71	64	68	78	74
Easy access to markets, customers, or clients	78	79	56	75	69
A good quality of life for employees	62	54	65	64	67
Locating in a community that projects a favorable image on your organization	58	64	50	62	56
A good social climate for people like yourself	51	51	60	50	42
Low occupancy cost	46	52	34	44	56
Proximity to colleges or universities for services such as business support, consulting, and continuing education	46	50	48	49	36
Proximity to the best and brightest professional people in your industry	45	58	47	45	25
Proximity to the homes of senior executives	43	34	49	45	47
A prestigious address	43	47	43	46	34
Proximity to a well-trained force of pink and blue collar workers	43	50	39	43	38
A good business climate in terms of state and local taxes and regulation	35	40	29	32	41

4. WHICH TYPES OF LOCATION ARE BEST?

Suburbs in the Lead, but Cities Moving Up

As was reported in Chapter 1, suburbs rank first when executives are asked which they consider to be the best type of location overall -- suburbs (36%), large cities (28%), smaller cities (22%), or small towns and rural areas (12%). The findings underscore a trend, however, in favor of the nation's largest cities and away from smaller cities and their suburbs (see Table 1-8); those who relocated a year ago or less are somewhat more likely than those who relocated two to five years ago to say that a large city is the best place to locate and less likely to say a smaller city or its suburbs is the best place.

Executives of service-providing organizations and government entities are decidedly more likely than those in manufacturing, transportation, utilities, wholesale, and retail companies to consider one of the nation's largest cities as the best kind of place for a headquarters location and less likely to favor smaller cities and their suburbs or small towns and rural areas; the two groups do not differ, however, in their view of the suburbs (Table 4-1).

Those currently located in the largest cities and their suburbs strongly tout the virtues of their type of location; 80% of each group say their type of location is best overall, while 20% think some other kind of location is best. Smaller cities and rural areas get much smaller votes of confidence from those headquartered there. While 54% of those located in or near a smaller city say their kind of location is best, as many as 34% feel suburbs of the largest cities are best; and while 50% of those located in a small town or rural area consider that the best, 28% would favor a smaller city or its suburbs and 13% would prefer the suburbs of one of the largest cities (Table 4-2).

General Measures of Satisfaction

Executives of organizations in each of the four types of locations express high levels of general satisfaction, although interestingly those currently headquartered in the suburbs of the largest cities are somewhat less likely than others to say they would pick the same site if they had it to do over again and say they are considerably more likely to relocate again within five years (Table 4-3).

Best and Worst Types of Locations on Thirteen Specific Criteria

Among all executives, suburbs of the largest cities are seen as best on providing ample and functional space, a good quality of life for employees, room to expand, a good social climate, and proximity to the homes of senior executives. The nation's largest cities win on providing easy access to markets, customers, and clients, a favorable image, a well-trained force of pink or blue collar workers, proximity to the best and brightest professionals, proximity to colleges or universities for services such as business support, consulting, and continuing education, and a prestigious address. Small towns and rural areas are seen as best on offering low occupancy cost and a good business climate in terms of taxes and regulation. Smaller cities and their environs are not seen as best on any of the thirteen criteria (Table 4-4).

To sum up, the largest cities are seen as best on six criteria, suburbs of the largest cities on five, small towns and rural areas on three, and smaller cities and their suburbs on none. However, the suburbs are seen as best on three of the five criteria ranking highest in importance (including the all-important "ample and functional space"), while cities are seen as best on only one of the top five and small towns and rural areas are also seen as best on only one.

When it comes to the types of locations that are seen as worst on each of these items, the lines are drawn even more sharply. The largest cities are considered worst on providing ample space, a good quality of life for employees, room to expand, low occupancy cost, a good business climate. Small towns and rural areas are judged as worst on access to markets, projecting a favorable image, proximity to trained pink or blue collar workers, a good social climate, proximity to the best and brightest professionals, proximity to colleges and universities, a prestigious address, and proximity to the homes of senior executives (Table 4-5). All told, the largest cities are deemed worst on five criteria -- including four out of five of the top five -- and small towns and rural areas on eight -- including only one of the top five -- while neither suburbs of the largest cities nor smaller cities and their suburbs are seen as worst on any criteria.

Best Types of Locations According to Those Headquartered in Each

Tables 4-6, 4-7, 4-8, and 4-9 display the findings for best type of location on the thirteen criteria among executives whose organizations are currently headquartered in each type of location. Those in the largest cities deem the big cities best on ten of the thirteen items; those in small towns and rural areas think that kind of location is best on seven; those in the suburbs of the largest cities think that kind of place is best on six; and those in or around smaller cities think that kind of place best on five of the items. Those in the largest cities, the suburbs of the largest cities, and smaller cities see their kind of place as best on three of the five criteria which those in each category see as most important; those in small towns and rural areas see that type of place as best on four of their top five criteria. Executives of organizations headquartered in big cities and their suburbs, as well as of those

in small towns and rural areas, do not hesitate to give their type of location the best marks on the all-important criterion of ample and functional space, first on everyone's priority list; those headquartered in smaller cities and their environs tilt marginally toward the big-city suburbs as the place with the most space, although they give their own type of location virtually the same rating.

Again, these findings underscore a generally high level of satisfaction on the part of executives as to what their new headquarters locations are delivering vis-a-vis their expectations. To further amplify the point, the findings by type of location from the direct question on satisfaction with the new location are presented here in the far right-hand column on Tables 4-6 through 4-9. These results show that in most instances a majority of executives in each type of location are "very satisfied" with their current headquarters location on the five criteria they consider most important.

The Improving Reputation of the Largest Cities

Those who relocated a year ago or less are significantly more likely than those who moved longer ago to deem the largest cities best on ample and functional space, room to expand, a good business climate in terms of state and local taxation and regulation, a good social climate, and proximity to the homes of senior executives (Table 4-10).

Community Participation: Size of Place Makes a Difference

A not-surprising footnote to this discussion of location types: executives in organizations now headquartered in or near smaller cities or in small towns or rural areas are markedly more likely than their counterparts in big city or suburban organizations to report that their management encourages

employees to participate in community activities and supports community charities at a significant level, and indeed that they themselves are active in supporting the economic development of the community (Table 4-11). To the extent that individual executives are involved in their community's public policy decisionmaking apparatus, those in smaller cities and rural areas are more likely to report doing this, as well.

Observation:

Although the nation's largest cities are seen as worst on four of the five most important criteria, the image of the nation's largest urban centers seems to be improving. It's not easy to say why this is. Although in some instances those who moved a year ago or less are not as demanding as those who moved two to five years ago, the two groups are about equally likely to see the all-important attributes of ample space and room to expand important -- yet the more recent relocators give the cities better marks.

The study findings indicate that among more recent relocators the industry mix swings slightly toward service-oriented organizations and government entities, which as a group are more likely than industrial, wholesale, and retail organizations to have moved to one of the largest cities; other findings show that those currently headquartered in the cities tend to rate them highly.

If these explanations for the apparent improvement in the image of the big cities make any sense, it is possible that either increasing space availability or continuing relocation on the part of organizations in the service industry will ensure that the nation's leading urban centers are not going out of style as headquarters locations.

Q.6

Table 4-1

BEST KINDS OF LOCATIONS OVERALL: BY INDUSTRY GROUP

Q.: All things considered, which of these types of areas do you think is best for the headquarters of your organization -- would it be one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

		<u>Industry Group</u>		
		<u>Total</u>	<u>Manufacturing/ Transportation/ Utilities/ Wholesale/Retail</u>	<u>Financial and Other Services</u>
Base		400	201	198
		%	%	%
Suburbs of largest cities		36	36	37
One of nation's largest cities		28	21	35
Smaller cities or their suburbs		22	26	18
Small towns or rural areas		12	16	9

Q.6 -

Table 4-2

BEST KINDS OF LOCATIONS OVERALL: BY NEW TYPE OF LOCATION

Q.: All things considered, which of these types of areas do you think is best for the headquarters of your organization -- would it be one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

		Moved to:			
		Suburbs of Largest Cities	In Largest Cities	or Near Smaller Cities	Small Towns/ Rural Areas
Base	Total 400 %	112 %	105 %	101 %	81 %
Suburbs of largest cities	36	16	80	34	13
One of nation's largest cities	28	80	11	5	8
Smaller cities or their suburbs	22	2	8	54	28
Small towns or rural areas	12	1	1	5	50

Q.10, 11, 12, 13

Table 4-3

GENERAL MEASURES OF SATISFACTION WITH NEW LOCATION:
BY NEW TYPE OF LOCATION

Q.: All things considered, if your organization had known when the relocation decision was made what it knows today, would you have relocated, or not?

Q.: If you were doing it over, would you pick the same site again today, or not?

Q.: Generally, how would you say your organization's performance today compares with its performance at the time of the relocation decision -- are you performing better today, worse, or about the same?

Q.: How likely do you think your organization is to relocate its headquarters again in the next five years -- would you consider that very likely, somewhat likely, not very likely, or not likely at all?

		Moved to:			
			Suburbs of Largest Cities	In or Near Smaller Cities	Small Rural Areas
Base	Total 400 %	112 %	105 %	101 %	81 %
Would have still relocated if knew what know today	93	91	91	92	97
Would pick same site if had it to do over	83	82	75	89	88
Organization's performance better today than before relocation	80	80	77	83	81
Worse	3	3	5	2	4
Same	16	17	18	14	14
Very likely to relocate again in five years	16	14	26	11	10
Somewhat likely	14	15	17	12	13
Not very likely	18	17	21	20	16
Not likely at all	51	54	35	58	61

Q.1a, 5a

Table 4-4

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

		Best Kind of Location				
		"Absolutely Essential" or "Very Important"	Suburbs of Largest Cities	Smaller Cities	Small Towns/ Rural Areas	Not Sure
		%	%	%	%	%
Base: 400						
Ample and functional space	95	23	34	17	20	6
A good quality of life for employees	74	12	42	25	17	4
Room to expand	72	20	30	18	29	3
Easy access to markets, customers, or clients	65	53	24	9	8	6
Low occupancy cost	53	13	17	17	48	6
A good business climate in terms of state and local taxes and regulation	50	15	17	22	36	9
Locating in a community that projects a favorable image on your organization	50	37	28	19	11	6
Proximity to a well-trained force of pink or blue collar workers	40	43	23	17	9	8
A good social climate for people like yourself	38	32	37	18	11	2
Proximity to the best and brightest professional people in your industry	37	61	25	5	5	5
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	61	23	10	1	5
A prestigious address	14	63	19	4	4	10
Proximity to the homes of senior executives	14	11	54	15	12	8

Q.1a, 5b

Table 4-5

WORST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: And which would you say is worst on this?

	"Absolutely Essential" or "Very Important" %	Worst Kind of Location				
		Largest Cities %	Suburbs of Largest Cities %	Smaller Cities %	Small Towns/ Rural Areas %	Not Sure %
Base: 400						
Ample and functional space	95	50	4	3	38	6
A good quality of life for employees	74	59	1	1	33	6
Room to expand	72	63	3	2	29	3
Easy access to markets, customers, or clients	65	18	2	4	70	6
Low occupancy cost	53	67	10	3	14	6
A good business climate in terms of state and local taxes and regulation	50	63	5	3	19	10
Locating in a community that projects a favorable image on your organization	50	25	3	3	61	8
Proximity to a well-trained force of pink or blue collar workers	40	19	6	5	62	9
A good social climate for people like yourself	38	31	1	4	60	3
Proximity to the best and brightest professional people in your industry	37	9	1	5	80	5
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	6	2	3	81	7
A prestigious address	14	9	2	5	74	10
Proximity to the homes of senior executives	14	38	2	2	47	10

Q.1a, 5a, 9

Table 4-6

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to one of largest cities

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

		Best Kind of Location					
		"Absolutely Essential" or "Very Important"	Suburbs of Largest Cities	Smaller Largest Cities	Small Towns/ Rural Areas	"Very Satisfied" With New Location	
		%	%	%	%	%	
Base: 112							
Ample and functional space	91	59	24	5	7	79	
Easy access to markets, customers, or clients	75	79	14	1	3	79	
A good quality of life for employees	71	28	45	11	11	54	
Room to expand	64	50	29	2	13	64	
Low occupancy cost	50	28	18	10	37	52	
Locating in a community that projects a favorable image on your organization	48	74	17	4	1	64	
Proximity to the best and brightest professional people in your industry	43	84	10	2	2	58	
A good business climate in terms of state and local taxes and regulation	42	38	16	11	27	40	
Proximity to a well-trained force of pink or blue collar workers	40	71	14	6	3	50	

(Continued)

Q.1a, 5a, 9

Table 4-6 (Continued)

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to one of largest cities

	"Absolutely Essential" or "Very Important" %	Best Kind of Location				"Very Satisfied" With New Location %
		Largest Cities %	Suburbs of Largest Cities %	Smaller Cities %	Small Towns/ Rural Areas %	
Base: 112						
A good social climate for people like yourself	36	57	32	4	4	51
A prestigious address	23	84	3	1	2	47
Proximity to colleges or universities for services such as business support, consulting, and continuing education	12	81	11	2	2	50
Proximity to the homes of senior executives	9	26	50	7	9	34

Q.1a, 5a, 9

Table 4-7

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to suburb of one of largest cities

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

	"Absolutely Essential" or "Very Important"	Best Kind of Location				"Very Satisfied" With New Location
		Largest Cities	Suburbs of Largest Cities	Smaller Cities	Small Towns/ Rural Areas	
Base: 105	%	%	%	%	%	%
Ample and functional space	97	11	61	8	14	70
A good quality of life for employees	74	5	68	17	6	65
Room to expand	71	6	56	11	24	68
Low occupancy cost	55	5	29	14	47	34
Easy access to markets, customers, or clients	47	57	33	2	1	56
A good business climate in terms of state and local taxes and regulation	40	8	33	16	34	29
Locating in a community that projects a favorable image on your organization	40	34	52	5	1	50
Proximity to a well-trained force of pink or blue collar workers	38	43	35	11	1	39
Proximity to the best and brightest professional people in your industry	38	58	36	-	1	47

(Continued)

Q.1a, 5a, 9

Table 4-7 (Continued)

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to suburb of one of largest cities

	"Absolutely Essential" or "Very Important" %	Best Kind of Location				"Very Satisfied" With New Location %
		Largest Cities %	Suburbs of Largest Cities %	Smaller Cities %	Small Towns/ Rural Areas %	
Base: 105						
A good social climate for people like yourself	35	27	63	6	1	60
Proximity to the homes of senior executives	26	4	85	6	1	49
A prestigious address	12	62	30	1	2	43
Proximity to colleges or universities for services such as business support, consulting, and continuing education	10	59	35	2	1	48

Q.1a, 5a, 9

Table 4-8

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to smaller city

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

Base: 101	"Absolutely Essential" or "Very Important"	Best Kind of Location				"Very Satisfied" With New Location
		Largest Cities	Suburbs of Largest Cities	Smaller Cities	Small Towns/ Rural Areas	
	%	%	%	%	%	%
Ample and functional space	90	10	35	34	17	86
Room to expand	75	13	22	39	26	78
A good quality of life for employees	74	7	29	48	15	64
Easy access to markets, customers, or clients	71	38	30	20	6	75
Locating in a community that projects a favorable image on your organization	54	22	25	40	6	62
A good business climate in terms of state and local taxes and regulation	48	9	14	46	24	32
Low occupancy cost	45	11	12	28	44	44
A good social climate for people like yourself	37	23	28	37	11	50
Proximity to the best and brightest professional people in your industry	34	59	26	9	2	45

(Continued)

Q.1a, 5a, 9

Table 4-8 (Continued)

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to smaller city

	"Absolutely Essential" or "Very Important"	Best Kind of Location				"Very Satisfied" With New Location
		Largest Cities	Suburbs of Largest Cities	Smaller Cities	Small Towns/ Rural Areas	
	%	%	%	%	%	%
Base: 101						
Proximity to a well-trained force of pink or blue collar workers	33	34	23	27	10	43
Proximity to colleges or universities for services such as business support, consulting, and continuing education	19	51	23	21	-	49
A prestigious address	14	55	21	13	3	46
Proximity to the homes of senior executives	10	5	42	28	13	45

Q.1a, 5a, 9

Table 4-9

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to small town or rural area

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

Q.: Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

Base: 81	"Absolutely Essential" or "Very Important"	Best Kind of Location				"Very Satisfied" With New Location
		Largest Cities	Suburbs of Largest Cities	Smaller Cities	Small Towns/ Rural Areas	
	%	%	%	%	%	%
Ample and functional space	99	8	11	23	49	79
Room to expand	78	7	12	23	55	74
A good quality of life for employees	77	6	23	26	40	67
A good business climate in terms of state and local taxes and regulation	76	4	4	17	64	41
Easy access to markets, customers, or clients	65	36	19	14	24	69
Low occupancy cost	62	4	8	16	65	56
Locating in a community that projects a favorable image on your organization	56	11	15	28	40	56
Proximity to a well-trained force of pink or blue collar workers	53	19	22	26	23	38
A good social climate for people like yourself	46	16	23	28	31	42

(Continued)

Q.1a, 5a, 9

Table 4-9 (Continued)

BEST KINDS OF LOCATIONS ON THIRTEEN CRITERIA

Base: Moved to small town or rural area

	"Absolutely Essential" or "Very Important" %	Best Kind of Location			Small Towns/ Rural Areas %	"Very Satisfied" With New Location %
		Largest Cities %	Largest Suburbs of Cities %	Smaller Cities %		
Base: 81						
Proximity to the best and brightest professional people in your industry	34	39	27	10	17	25
Proximity to colleges or universities for services such as business support, consulting, and continuing education	21	50	22	16	3	36
Proximity to the homes of senior executives	12	7	36	20	28	47
A prestigious address	5	47	22	2	12	34

Q.1a, 5a

Table 4-10

LARGEST CITIES BEST ON THIRTEEN CRITERIA:
BY TIME OF RELOCATION

Q.: I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

Q.: I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

Base	"Absolutely Essential" or "Very Important"	Largest Cities Best Relocated	
		1 Year Ago or Less	2-5 Years Ago
	400 %	179 %	221 %
Ample and functional space	95	31	20
A good quality of life for employees	74	11	12
Room to expand	72	26	17
Easy access to markets, customers, or clients	65	50	54
Low occupancy cost	53	15	12
A good business climate in terms of state and local taxes and regulation	50	21	13
Locating in a community that projects a favorable image on your organization	50	40	36
Proximity to a well-trained force of pink or blue collar workers	40	44	43
A good social climate for people like yourself	38	36	30
Proximity to the best and brightest professional people in your industry	37	62	61
Proximity to colleges or universities for services such as business support, consulting, and continuing education	15	58	63
A prestigious address	14	60	64
Proximity to the homes of senior executives	14	18	8

Q.15a, 15b

Table 4-11

COMMUNITY PARTICIPATION BY ORGANIZATION AND TOP EXECUTIVE:
BY NEW TYPE OF LOCATION

Q.: Does your organization (READ EACH ITEM), or not?

Q.: Are you personally (READ EACH ITEM), or not?

		Moved to:			
		Suburbs of Largest Cities	Largest Cities	In or Near Smaller Cities	Small Towns/ Rural Areas
Base	Total 400 %	112 %	105 %	101 %	81 %
<u>Organization:</u>					
Encourages employees to participate in community activities	69	61	56	82	80
Supports charities in community at a significant level	61	56	49	68	73
<u>Executive:</u>					
Is active in supporting the economic development of community	59	52	45	65	77
Is involved in public policy decision- making apparatus in community	33	29	24	35	48

APPENDIX A: HOW THE STUDY WAS CONDUCTED

The findings in this study are based on interviews with top executives at 400 organizations nationwide that have relocated their headquarters in the past five years.

Relocators were systematically screened from a representative sample of the Dun & Bradstreet listing of all organizations with 50 or more employees at their headquarters location, including publicly- and privately-held companies, partnerships, nonprofits, and governmental entities. Headquarters relocation was defined in the screening as "transferring all or part of the organization's employees at its old headquarters location to a new one ... a move from one part of town to another, or a move from one town to another ... [but not] moves within an office building or moves within an office park or campus."

Survey respondents were chief executive officers, presidents, and other top executives at the policymaking level in their organizations. Seventy percent of those interviewed report they participated in the decision to relocate the headquarters.

Interviewing -- including screening for organizations that relocated in the past five years -- was conducted by telephone from October 26 through November 25, 1987, from the Harris firm's central facilities in New York City.

Table A-1 profiles the sample. The questionnaire used in the study is reproduced in Appendix B.

Table A-1
PROFILE OF THE SAMPLE

Base	<u>Total</u> 400 %
<u>Time of Relocation</u>	
Less than 1 year ago	13
1 year ago	18
2 years ago	24
3 years ago	23
4 years ago	19
5 years ago	2

Median years	2
<u>Number of Employees at Headquarters</u>	
At least 50 but less than 100	55
At least 100 but less than 150	20
At least 150 but less than 200	10
200 and over	15

Median	87
<u>Revenue Size</u>	
Less than \$4 million	22
At least \$4 million but less than \$15 million	26
\$15 million and over	23
Not applicable/not available	29

Median	\$7 Million
<u>Industry</u>	
Agriculture	*
Extraction	1
Construction	9
Manufacturing	24
Transportation/communications/utilities	8
Wholesale	4
Retail	6
Financial services/real estate	11
Other services	35
Public administration	3

(Continued)

Table A-1 (Continued)

PROFILE OF THE SAMPLE

Base	<u>Total</u> 400 %
<u>Region</u>	
East	27
South	29
Midwest	26
West	18
<u>Now Located</u>	
In one of largest cities	27
In suburb of one of largest cities	25
In or near smaller city	26
In or near small town or rural area	21
<u>Sex of Respondent</u>	
Male	74
Female	26

APPENDIX B: THE QUESTIONNAIRE

LOUIS HARRIS AND ASSOCIATES, INC.
630 Fifth Avenue
New York, New York 10111

/ FOR OFFICE USE ONLY:
/
/ Questionnaire No.: _____
/
/ 5-6-7-8

Study No. 871014

October 26, 1987

Sample Point No. / / / / / / / /
10-11-12-13-14-15

Time Started: _____ A.M./P.M.

Interviewer: _____ I.D. No.: _____ Date: _____

Respondent's Name: _____

Respondent's Title: _____

Name of Corporation: _____

Address: _____

City: _____ State: _____ Zip: _____

Area Code: _____ Telephone No.: _____

(16-25)

S1. Hello, I'm _____ from Louis Harris and Associates, the national survey research firm in New York. We're conducting an important study about relocations and moves. Has the organization headquartered at this worksite moved or relocated within the past five years, or not? (IF NECESSARY:) By move or relocation we mean transferring all or part of the organization's employees at its old headquarters location to a new one. This could mean a move from one part of town to another, or a move from one town to another. We're not interested in moves within an office building or moves within an office park or campus.

Has moved.....(26(____-1 (ASK Q.S2)

Has not moved.....-2
Not a headquarters location (vol.).....-3 } (THANK AND SCREEN OUT)

Not sure.....-4 (ASK PERSON ANSWERING TO CHECK.
ARRANGE CALL-BACK IF NECESSARY.)

S2. And we'd like to verify that there are 50 or more people employed by this organization at this worksite -- is that correct?

Correct.....(27(____-1 (ASK Q.S3)

Not correct.....-2 (THANK AND SCREEN OUT)

Not sure.....-3 (ASK PERSON ANSWERING TO CHECK.
ARRANGE CALL-BACK IF NECESSARY.)

S3. We'd like to speak with Mr./Mrs./Ms. _____ (NAME FROM SAMPLE CARD) to conduct a brief interview. (IF UNAVAILABLE:) Which senior executive of this organization would be in the best position to discuss the reasons behind your relocation and to evaluate your new location?

Respondent is:

From sample card...(28(____-1
Designee.....-2

RESPONDENT INTRODUCTION:

S4. Hello, I'm _____ from Louis Harris and Associates, the national survey research firm in New York. We're conducting an important study about relocations and moves and I'd just like to verify our information that the organization headquartered at this worksite has moved or relocated in the past five years -- is that correct?

Correct.....(29(____-1 (RECORD SEX AND SAMPLE CARD INFORMATION BELOW
AND CONTINUE WITH Q.1)

Not correct.....-2 (THANK AND SCREEN OUT)

Not sure.....-3 (RECONCILE WITH INFORMATION FROM Q.S1 AND
ARRANGE FOR MORE APPROPRIATE RESPONDENT
IF NECESSARY.)

(IF NECESSARY:)

The purpose of this study is to understand why your organization relocated and how you evaluate your new location. Of course neither your name nor the name of your organization will be revealed to the public or even to the survey sponsor. All results will be reported in aggregate statistical form only. Your participation will go a long way towards making the survey a success. We'll be happy to send you a short summary of the results after the survey is completed.

FROM OBSERVATION: Respondent Sex

Male.....(30(____-1
Female.....-2

INTERVIEWER: RECORD FROM SAMPLE CARD:

REVENUE SIZE: \$ / / / / , / / / / , / / / / ,000
(31-39)

SIC: / / / / /
(40-43)

NUMBER OF EMPLOYEES AT SITE: / / , / / / /
(44-47)

1a. I'd like to start by asking you about what your organization looks for in a headquarters location. Would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

<u>ROTATE -- START AT "X"</u>		<u>Absolutely</u> <u>Essential</u>	<u>Very</u> <u>Important</u>	<u>Somewhat</u> <u>Important</u>	<u>Not</u> <u>Important</u>	<u>Not</u> <u>Sure</u>
()	1. Low occupancy cost.....(48(	___-1	___-2	___-3	___-4	___-5
()	2. A prestigious address.....(49(	___-1	___-2	___-3	___-4	___-5
()	3. Proximity to the homes of senior executives.....(50(	___-1	___-2	___-3	___-4	___-5
()	4. Ample and functional space.....(51(	___-1	___-2	___-3	___-4	___-5
()	5. A good quality of life for employees.....(52(	___-1	___-2	___-3	___-4	___-5
()	6. Easy access to markets, customers, or clients.....(53(	___-1	___-2	___-3	___-4	___-5
()	7. A good business climate in terms of state and local taxes and regulation.....(54(	___-1	___-2	___-3	___-4	___-5
()	8. A good social climate for people like yourself.....(55(	___-1	___-2	___-3	___-4	___-5
()	9. Proximity to the best and brightest professional people in your industry.....(56(	___-1	___-2	___-3	___-4	___-5
()	10. Proximity to a well-trained force of pink or blue collar workers....(57(	___-1	___-2	___-3	___-4	___-5
()	11. Locating in a community that projects a favorable image on your organization.....(58(	___-1	___-2	___-3	___-4	___-5
()	12. Room to expand.....(59(	___-1	___-2	___-3	___-4	___-5
()	13. Proximity to colleges or universities for services such as business support, consulting, and continuing education.....(60(	___-1	___-2	___-3	___-4	___-5

1b. I'd like to ask you about quality of life for employees in a little more detail. Thinking about a headquarters location, would you say that (READ EACH ITEM) is absolutely essential, very important, somewhat important, or not important?

ROTATE -- START AT "X"

	<u>Absolutely</u> <u>Essential</u>	<u>Very</u> <u>Important</u>	<u>Somewhat</u> <u>Important</u>	<u>Not</u> <u>Important</u>	<u>Not</u> <u>Sure</u>
() 1. A low cost of living overall, including state and local taxes...(61(____-1	____-2	____-3	____-4	____-5	
() 2. Affordably-priced housing.....(62(____-1	____-2	____-3	____-4	____-5	
() 3. Adequate public transportation....(63(____-1	____-2	____-3	____-4	____-5	
() 4. Enough streets and highways to handle the traffic.....(64(____-1	____-2	____-3	____-4	____-5	
() 5. Good public schools.....(65(____-1	____-2	____-3	____-4	____-5	

2a. When your organization moved, did you change states, or not?

Changed states.....(66(____-1 (SKIP TO Q.3a)

Did not change states.....-2
Not sure.....-3 } (ASK Q.2b)

2b. Did you change communities, or not?

Changed communities..... (67(____-1

Did not change communities.....-2
Not sure.....-3

ASK EVERYONE

3a. How would you characterize your old headquarters location -- at the time you were there, would you say it was in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area? (INTERVIEWER: USE LIST TO VERIFY "LARGEST CITIES." IF NOT ON LIST, CODE AS "SMALLER CITY." IF RESPONDENT IS UNCLEAR WHETHER LOCATION IS A SUBURB OR A SMALL TOWN, ASK: Well, did you view that as a suburban location, a small town, or what?)

SINGLE RECORD BELOW

(68(____-1 ____-2 ____-3 ____-4 ____-5

<u>In one of the nation's largest cities</u>	<u>In a suburb of one of the largest cities</u>	<u>In or near a smaller city of at least 100,000 people</u>	<u>In or near small town, rural, every- thing else</u>	<u>Not Sure</u>
Atlanta	Atlanta			
Baltimore	Baltimore			
Boston	Boston			
Chicago	Chicago			
Cleveland	Cleveland			
Dallas/ Fort Worth	Dallas/ Fort Worth			
Detroit	Detroit			
Houston	Houston			
Los Angeles	Los Angeles			
Miami/Fort Lauderdale	Miami/Fort Lauderdale			
Minneapolis	Minneapolis			
New York	New York			
Philadelphia	Philadelphia			
Pittsburgh	Pittsburgh			
St. Louis	St. Louis			
San Diego	San Diego			
San Francisco	San Francisco			
Seattle	Seattle			
Washington, D.C.	Washington, D.C.			

3b. And how would you characterize your new headquarters location -- would you say it is in one of the nation's largest cities, by which I mean Pittsburgh, Cleveland, or some other big city like that, in a suburb of one of the largest cities, in or near a smaller city of at least 100,000 people, or in a small town or rural area? (INTERVIEWER: USE LIST TO VERIFY "LARGEST CITIES." IF NOT ON LIST, CODE AS "SMALLER CITY." IF RESPONDENT IS UNCLEAR WHETHER LOCATION IS A SUBURB OR A SMALL TOWN, ASK: Well, did you view that as a suburban location, a small town, or what?)

SINGLE RECORD BELOW

(69(____-1 ____-2 ____-3 ____-4 ____-5

<u>In one of the nation's largest cities</u>	<u>In a suburb of one of the largest cities</u>	<u>In or near a smaller city of at least 100,000 people</u>	<u>In or near small town, rural, every- thing else</u>	<u>Not Sure</u>
Atlanta	Atlanta			
Baltimore	Baltimore			
Boston	Boston			
Chicago	Chicago			
Cleveland	Cleveland			
Dallas/ Fort Worth	Dallas/ Fort Worth			
Detroit	Detroit			
Houston	Houston			
Los Angeles	Los Angeles			
Miami/Fort Lauderdale	Miami/Fort Lauderdale			
Minneapolis	Minneapolis			
New York	New York			
Philadelphia	Philadelphia			
Pittsburgh	Pittsburgh			
St. Louis	St. Louis			
San Diego	San Diego			
San Francisco	San Francisco			
Seattle	Seattle			
Washington, D.C.	Washington, D.C.			

4a. In what community and state was your old headquarters located?

4b. In what community and state is your present headquarters located?

	<u>Community</u>	<u>State</u>	
a. Old headquarters	_____	_____	(70-71) (72-73)
b. New headquarters	_____	_____	(74-75) (76-77)
			<u>78-80Z</u>

ASK Q.5a, Q.5b IN SEQUENCE FOR EACH ITEM

5a. I'd like to ask you to rate various types of locations when it comes to some of the attributes we were just talking about. Thinking about the headquarters of your organization, which would you say is best when it comes to (READ EACH ITEM) -- one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

5b. And which would you say is worst on this?

ROTATE -- START AT "X"	Q.5a Best				Q.5b Worst						
	Suburbs of		Small Towns.		Suburbs of		Small Towns.				
	Largest Cities	Smaller Cities	Rural Areas	Not Sure	Largest Cities	Smaller Cities	Rural Areas	Not Sure			
() 1. Low occupancy cost.....(2*10(	-1	-2	-3	-4	-5	(23(	-1	-2	-3	-4	-5
() 2. A prestigious address.....(11(	-1	-2	-3	-4	-5	(24(	-1	-2	-3	-4	-5
() 3. Proximity to the homes of senior executives.....(12(	-1	-2	-3	-4	-5	(25(	-1	-2	-3	-4	-5
() 4. Ample and functional space.....(13(	-1	-2	-3	-4	-5	(26(	-1	-2	-3	-4	-5
() 5. A good quality of life for employees.....(14(	-1	-2	-3	-4	-5	(27(	-1	-2	-3	-4	-5
() 6. Easy access to markets, customers, or clients.....(15(	-1	-2	-3	-4	-5	(28(	-1	-2	-3	-4	-5
() 7. A good business climate in terms of state and local taxes and regulation.....(16(	-1	-2	-3	-4	-5	(29(	-1	-2	-3	-4	-5
() 8. A good social climate for people like yourself.....(17(	-1	-2	-3	-4	-5	(30(	-1	-2	-3	-4	-5
() 9. Proximity to the best and brightest professional people in your industry.....(18(	-1	-2	-3	-4	-5	(31(	-1	-2	-3	-4	-5
() 10. Proximity to a well-trained force of pink or blue collar workers....(19(	-1	-2	-3	-4	-5	(32(	-1	-2	-3	-4	-5
() 11. Locating in a community that projects a favorable image on your organization.....(20(	-1	-2	-3	-4	-5	(33(	-1	-2	-3	-4	-5
() 12. Room to expand.....(21(	-1	-2	-3	-4	-5	(34(	-1	-2	-3	-4	-5
() 13. Proximity to colleges or universities for services such as business support, consulting, and continuing education.....(22(	-1	-2	-3	-4	-5	(35(	-1	-2	-3	-4	-5

6. All things considered, which of these types of areas do you think is best for the headquarters of your organization -- would it be one of the nation's largest cities, the suburbs of the largest cities, smaller cities or their suburbs, or small towns or rural areas?

One of the nation's largest cities..(36(____-1
The suburbs of the largest cities.....-2
Smaller cities or their suburbs.....-3
Small towns or rural areas.....-4
Not sure.....-5

ASK Q.7a AND Q.7b IN SEQUENCE FOR EACH ITEM7a. In your organization's decision to relocate, was (READ EACH ITEM) a factor, or wasn't it? RECORD BELOWASK Q.7b IF "WAS A FACTOR" IN Q.7a7b. Would you say it was a crucial factor, or not? RECORD BELOW

ROTATE — START AT "X"	Q.7a			Q.7b		
	Was a Factor	Not a Factor	Not Sure	Crucial	Not Crucial	Not Sure
() 1. A merger or acquisition.....	(37(	___-1	___-2 ___-3	(58(	___-1 ___-2 ___-3	
() 2. An organizational restructuring.....	(38(	___-1	___-2 ___-3	(59(	___-1 ___-2 ___-3	
() 3. A major change in the strategic direction of the organization.....	(39(	___-1	___-2 ___-3	(60(	___-1 ___-2 ___-3	
() 4. An interest in changing the culture of the organization.....	(40(	___-1	___-2 ___-3	(61(	___-1 ___-2 ___-3	
() 5. The appointment of a new chief executive.....	(41(	___-1	___-2 ___-3	(62(	___-1 ___-2 ___-3	
() 6. A preference expressed by a top executive of another company.....	(42(	___-1	___-2 ___-3	(63(	___-1 ___-2 ___-3	
() 7. Proximity to the homes of your organization's senior executives.....	(43(	___-1	___-2 ___-3	(64(	___-1 ___-2 ___-3	
() 8. Lower occupancy costs.....	(44(	___-1	___-2 ___-3	(65(	___-1 ___-2 ___-3	
() 9. A more prestigious address.....	(45(	___-1	___-2 ___-3	(66(	___-1 ___-2 ___-3	
() 10. Larger or more functional space.....	(46(	___-1	___-2 ___-3	(67(	___-1 ___-2 ___-3	
() 11. A better quality of life for employees.....	(47(	___-1	___-2 ___-3	(68(	___-1 ___-2 ___-3	
() 12. Better access to markets, customers, or clients...	(48(	___-1	___-2 ___-3	(69(	___-1 ___-2 ___-3	
() 13. A better business climate in terms of state and local taxes and regulation.....	(49(	___-1	___-2 ___-3	(70(	___-1 ___-2 ___-3	
() 14. A better social climate for people like yourself..	(50(	___-1	___-2 ___-3	(71(	___-1 ___-2 ___-3	
() 15. A better proximity to the best and brightest professionals in your industry.....	(51(	___-1	___-2 ___-3	(72(	___-1 ___-2 ___-3	
() 16. Better proximity to a well-trained force of pink or blue collar workers.....	(52(	___-1	___-2 ___-3	(73(	___-1 ___-2 ___-3	
() 17. A more favorable image.....	(53(	___-1	___-2 ___-3	(74(	___-1 ___-2 ___-3	
() 18. More room to expand.....	(54(	___-1	___-2 ___-3	(75(	___-1 ___-2 ___-3	
() 19. Proximity to college or universities for services such as business support, consulting, and continuing education.....	(55(	___-1	___-2 ___-3	(76(	___-1 ___-2 ___-3	
() 20. Promotion and communications by a business development organization.....	(56(	___-1	___-2 ___-3	(77(	___-1 ___-2 ___-3	
() 21. Economic incentives provided by a development agency.....	(57(	___-1	___-2 ___-3	(78(	___-1 ___-2 ___-3	

ASK Q.7c IF "PROMOTION" OR "INCENTIVES" BY DEVELOPMENT ORGANIZATION OR AGENCY
"A FACTOR" IN Q.7a, ITEMS 20 OR 21 -- SKIP OTHERS TO Q.7d.

7c. Did a business development organization or economic development agency offer (READ EACH ITEM), or not?

ROTATE -- START AT "X"

	<u>Offered</u>	<u>Did Not</u>	<u>Sure</u>
() 1. Tax abatements or inducements.....(3*10(____-1 ____-2 ____-3			
() 2. Subsidized financing.....(11(____-1 ____-2 ____-3			
() 3. Training programs to ensure a ready supply of skilled labor.....(12(____-1 ____-2 ____-3			
() 4. Low-cost land leasing.....(13(____-1 ____-2 ____-3			
() 5. Enterprise zones.....(14(____-1 ____-2 ____-3			
() 6. Utilities incentives.....(15(____-1 ____-2 ____-3			
() 7. Assistance in cutting through state and local government red tape.....(16(____-1 ____-2 ____-3			

ASK Q.7d IF "CHANGED COMMUNITIES" IN Q.2b -- SKIP OTHERS TO Q.8.

7d. Now, what about the community you left -- how much effort did they make to persuade your organization to stay -- a great deal, some, not very much, or none at all?

Great deal.....(17(____-1
Some.....____-2
Not very much.....____-3
None.....____-4
Not sure.....____-5

7e. In the last several years before you left the old community, did the economic development agency there keep in touch with you to help solve your problems, or not?

Kept in touch.....(18(____-1
Didn't keep in touch.....____-2
Not sure.....____-3

ASK EVERYONE

8. How long has it been since your move?

RECORD YEARS BELOW -- IF LESS THAN ONE YEAR, ENTER ZERO

 / / years
(19-20)

Not sure.....(21(____-1

9. Thinking about your new location, how satisfied would you say your organization is when it comes to (READ EACH ITEM) -- would that be very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

		Very	Somewhat	Not Very	Not	Not
<u>ROTATE -- START AT "X"</u>		<u>Satisfied</u>	<u>Satisfied</u>	<u>Satisfied</u>	<u>Satisfied</u>	<u>Sure</u>
()	1. Low occupancy cost.....	(22(____-1	____-2	____-3	____-4	____-5
()	2. A prestigious address.....	(23(____-1	____-2	____-3	____-4	____-5
()	3. Proximity to the homes of senior executives.....	(24(____-1	____-2	____-3	____-4	____-5
()	4. Ample and functional space.....	(25(____-1	____-2	____-3	____-4	____-5
()	5. A good quality of life for employees.....	(26(____-1	____-2	____-3	____-4	____-5
()	6. Easy access to markets, customers, or clients.....	(27(____-1	____-2	____-3	____-4	____-5
()	7. A good business climate in terms of state and local taxes and regulation.....	(28(____-1	____-2	____-3	____-4	____-5
()	8. A good social climate for people like yourself.....	(29(____-1	____-2	____-3	____-4	____-5
()	9. Proximity to the best and brightest professional people in your industry.....	(30(____-1	____-2	____-3	____-4	____-5
()	10. Proximity to a well-trained force of pink or blue collar workers....	(31(____-1	____-2	____-3	____-4	____-5
()	11. Locating in a community that projects a favorable image on your organization.....	(32(____-1	____-2	____-3	____-4	____-5
()	12. Room to expand.....	(33(____-1	____-2	____-3	____-4	____-5
()	13. Proximity to colleges or universities for services such as business support, consulting, and continuing education.....	(34(____-1	____-2	____-3	____-4	____-5

10. All things considered, if your organization had known when the relocation decision was made what it knows today, would you have relocated, or not?

Would have relocated.....(35(____-1
 Would not have relocated.....____-2
 Not sure.....____-3

11. If you were doing it over, would you pick the same site again today, or not?

Would pick same site.....(36(____-1
Would not pick same site.....-2
Not sure.....-3

12. Generally, how would you say your organization's performance today compares with its performance at the time of the relocation decision -- are you performing better today, worse, or about the same?

Better.....(37(____-1
Worse.....-2
About the same.....-3
Not sure.....-4

13. How likely do you think your organization is to relocate its headquarters again in the next five years -- would you consider that very likely, somewhat likely, not very likely, or not likely at all?

Very likely.....(38(____-1
Somewhat likely.....-2
Not very likely.....-3
Not likely at all.....-4
Not sure.....-5

14. Did you participate in the decision to relocate, or didn't you?

Participated.....(39(____-1
Did not participate.....-2
Not sure.....-3

15a. Does your organization (READ EACH ITEM), or not?

ROTATE -- START AT "X"

	<u>Does</u>	<u>Does Not</u>	<u>Not Sure</u>
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() 1. Support charities in your community at a significant level.....(40(____-1 ____-2 ____-3			
--	--	--	--

() 2. Encourage its employees to participate in community activities.....(41(____-1 ____-2 ____-3			
--	--	--	--

ROTATE -- START AT "X"

Does	Do Not	Not Sure
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- 51-80Z